

21 March 2005 - ***Hospitality in Focus***
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PRACTICE YOUR MEXICAN WAVE!

One&Only Palmilla, a major luxury resort in Mexico, has recently introduced what is thought to be a unique entertainment experience for its guests - it has added to its portfolio the twin technologies of PMDs (Personal Media Devices) and iPods.

The resort, which opened in February 2004 after a \$100 million renovation programme, provides iPods which may be customised with specific music selections to compliment the range of environments to be found within the property. The music may be adapted to suit the various locations used by guests, which include the pools, fitness centre and a secluded area overlooking the picturesque coastline known locally as Hammock Hill.

One&Only Palmilla, which aims to maintain the classic Mexican ambiance which has made it a favourite amongst an international 'who's who' since its original opening in 1956, is believed to be the first resort to introduce such personal media devices – widely touted as “next year's entertainment must-have” – which are pre-loaded with a selection of both music and films tailored for each guest prior to their arrival.

All one-bedroom suites at One&Only Palmilla offer these Personal Media Devices to guests to enable them to watch films or listen to music while they are relaxing on their private terraces, lounging on the beach or anywhere they choose to take them within the property. Each personal media player has a wide selection of music and films already pre-programmed into the devices. The choice of music is based based on the most popular CD and DVD requests that the resort has received during the previous year.

In addition to this core selection, guests in all one-bedroom suites are encouraged to request that specific films be programmed into the Personal Media Devices prior to their arrival. The one-bedroom suites also come with iPods for guests to enjoy which have a large selection of music. These iPods can similarly be personalised with specific music requests.

HAMMOCK HILL'S CALMING EXPERIENCE

One of the resort's most relaxing environments for guests to enjoy the iPods is on Hammock Hill, where they have been customised with a selection of relaxation and meditation music. Located on the hill leading up to an historic chapel, Hammock Hill offers a series of secluded hammocks where guests can relax overlooking the spectacular coastline. Every private hammock is surrounded by a particular kind of aromatic flower and plant offering, each offering a distinct scent. Butler service is on hand to provide guests with iPods and refreshments, allowing for what is designed to be a calming experience.

While lounging at one of the resort's infinity-edge pools, the concierge offers guests everything from 24 different types of suncare products, wake-up calls, and pillows to bottled water chilled on ice and iPods. Over one thousand songs and numerous playlists covering an array of genres such as pop, rock, Mexican, classical, Mariachi and jazz, allow guests to listen to anything that fits their mood.

At the fitness centre, iPods are available to use by guests while they are working out. Here the iPods have been customised with “upbeat and energising” music selections, which are intended to be a perfect accompaniment for a workout.

All Personal Media Devices and iPods in the one-bedroom suites are available free of charge, including the custom musical selections. iPods that are available for use at the pool, fitness centre and Hammock Hill are also complimentary to all guests.

IN-ROOM ENTERTAINMENT OPPORTUNITIES

“The quality and variety of in-room entertainment can significantly impact on guests’ perceptions of an hotel’s overall value”, according to Steve Truckenmiller, Senior Vice President Content & Programming Management for LodgeNet Entertainment Corporation.

As room occupancy statistics improve worldwide, it is recognised that hospitality managers have the best chance in a long time to generate more in-room entertainment revenue and to potentially deliver greater guest satisfaction with the aim of building repeat business. LodgeNet has just completed some guest entertainment-preference studies that have revealed what kinds of entertainment travellers would like in their rooms. A number of opportunities were identified for hospitality managers.

It was identified that an increasing number of guests were taking their partners or families on their business travel to in effect create mini-breaks by extending their business stay over the weekend. This has caused many hospitality managers in business locations to re-think their entertainment offerings, because guests in a “leisure” mindset have been found to expect more than business travellers in the way of children’s programming and services like video games. With the blurring of these travel segments, hospitality managers have recognised the value of entertainment technology that is flexible enough to respond to these demands.

To encourage in-room entertainment usage, LodgeNet has responded by increasing the size of its digital content servers to provide both enlarged content and variety – which for hospitality managers means the ability to provide entertainment options that appeal to their customer’s demographics no matter how they may shift.

THE BARRIER OF ANTICIPATED REGRET

The research studied why some guests buy entertainment and others do not. It confirmed previous studies that had pinpointed “anticipated regret” as one of the key barriers to purchasing pay-per-view entertainment. In other words, guests feared that the entertainment they might purchase would not live up to their expectations. The solution for overcoming this obstacle was to eliminate the risk factor by offering brand name entertainment that guests instantly recognise and feel confident ordering. Film titles are brands; so are names like Disney, NASCAR and Nintendo. The study showed that guests in all segments were more willing to spend money on brand names that they recognise. LodgeNet therefore provides free trailers for its on-demand films to reduce anticipated regret and to generate more usage.

It appears that branded entertainment is only one part of the equation; how that entertainment is offered is equally influential on buying behaviour. The research identified a direct relationship between guests’ consumption of various types of in-room entertainment and variables like time of day and day of week. For example, family programming was very popular during weekends and holiday periods, while other content sold better on weeknights. LodgeNet has therefore decided to test new software and hardware that enables in-room content to be adjusted frequently to meet changing viewer demand.

It was found that entertainment consumption is also affected by in-room promotional efforts. For example NASCAR motor racing, which has become the top spectator sport in the U.S. and which guests have shown they enjoy watching. The research revealed that displaying a NASCAR promotion on a guest’s welcome screen increased programming consumption. In another test a “View NASCAR” button was added to the welcome screen; this again drove guest demand higher. Advances in content management and satellite delivery also enabled the reconfiguring of the on-screen menus according to a pre-set schedule – so for example,

family-friendly films could be "pushed" to the front of the line up from Friday night through to Sunday afternoon, then give way to other titles during the rest of the week.

LodgeNet's proprietary media management system uses software that monitors entertainment consumption patterns in test properties. By tracking which films and programmes are (and aren't) being purchased at a particular hotel, the company can remove titles that aren't selling and replace them. Since even the most advanced digital entertainment systems have a finite amount of "shelf space" (and guests have limited time to search for content of interest), this capability has proved invaluable in helping maximise revenues.

It is said that entertainment affects the quality of a person's life, not only at home but whilst travelling. Hospitality managers whose in-room entertainment lineups are best aligned to their guests' specific interests – and whose programming and promotions can adapt as those interests change – will, it is said, have the inside track on maximising revenue by providing their guests with more of the entertainment they recognise, trust and enjoy.

HOTEL KIOSKS - MORE CHOICES, CONVENIENCE AND CONTROL

Embassy Suites is the first hotel brand to feature the multi-purpose IBM Self-Service kiosks in all of its one hundred and seventy-five properties

Capitalising on a trend that was started by the airline industry to offer consumers self-service check-in capabilities, Embassy Suites Hotels is planning to install self-service, multi-purpose registration kiosks at all of its hotels by June 2006. IBM is providing the kiosk hardware, the operating platform, systems management tools and project management support.

"This is a big step not only for the Embassy Suites Hotels brand, but also for the hotel industry," said David Greydanus, senior vice president, brand management, Embassy Suites Hotels. "By placing the EmbassyDirect Registration Kiosks in all of our hotels, we can offer our guests more choices, convenience and control when it comes to their hotel stay. And, for guests who prefer interaction with the front desk, team members will be more empowered to deliver the ultimate service experience for which the Embassy Suites brand is renowned."

The automated kiosks, which are designed to be easy-to-use, are intended to be a convenience for guests when checking in and checking out. Currently, it is found that ten to twelve per cent of guests on average use the technology within the hotels that offer the service. Based on customer satisfaction research conducted by Embassy Suites Hotels, more than ninety per cent of guests replied they would "definitely use the kiosk again."

The kiosks are used for applications which include room check-in (ability to select the room, issuing of room keys and printing of registration information), check-out (printing of bill and modifications to method of payment), personalised guest messaging, and coupons for hotel services in selected locations. Additional enhancements include the expanded ability to offer visual room selection and hotel services such as bundled high-speed Internet access and phone services.

IBM itself intends its hotel self-service kiosk solution to offer convenience to guests quickly and easily so that they may not only check into rooms and obtain their room keys but also to bypass the front desk and any potential queues.

"We have been testing this feature in our hotels, and the response from guests has been very positive," Greydanus added. "As an innovative hotel brand, we wanted to stay ahead of guest demand and place them in our hotels when the timing was right. As travellers are becoming more accustomed to the self check-in process at airports and other travel destinations, we expect to see a surge in popularity and usage of the kiosks by year-end. For guests who prefer traditional interaction with front-desk staff, that option continues to be available throughout all of our hotels."

According to Greydanus, customers who have used the kiosks have commented that they were "very satisfied" with the technology. And while the kiosks are completely automated, staff assigned to the kiosk area are available to assist guests who have questions.

Links:

Hilton Hotels Corporation: <http://www.hiltonworldwide.com>

IBM Hotel Kiosk Solutions:

<http://www-1.ibm.com/industries/travel/doc/content/solution/186193106.html>

LodgeNet Entertainment Corp: <http://www.lodgenet.com>

One&Only Palmilla : www.oneandonlyresorts.com.